

A Seminar on Charges on Digital Transactions By Paytm

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Abstract- To transform the country into digitally empowered the Indian Government started 'Digital India' in 2015 which is the prestigious programme to become a knowledge economy. "Faceless, Paperless, Cashless" is one of the supposed role and slogan of Digital India. For converting into less cash society various modes of digital payments are available. The government of India announced demonetization of high valued currency with an assumption to control Unorganized trading, unaccounted Money, Terrorism, Fake Currency. Digital India platform is useful for fast, easy and reliable transactions compared to cash transactions. But security and awareness about system are the major challenges of the system. This paper explores the impacts of demonetization on digital payments. This paper presents adoption of digital payment system and perceptions from the points of view of customers, challenges and benefits. Questionnaire was used to collect the data from a convenience sample of 183 customers in Hyderabad. The data collected was analysed using percentage method. The results indicate that the adoption of the system have highly improved.

Keywords- Digital India, Demonetization, Digital payments.

I. INTRODUCTION

As the requirements of speculators and monetary administration clients become increasingly unpredictable, there is an interest for powerful instruments to streamline the procedures and exchanges did by end-clients. It is unavoidable that money related foundations would need to build the quantity of digitized administrations and contributions, given an ascent in the utilization of computerized administrations. Executing innovation in the budgetary business is a need for the survival of organizations as clients look for lower-cost options in contrast to conventional money related administrations. Fintech organizations have driven the unrest in changing the monetary segment by digitalizing the end-customer's value-based eco-framework.

The demonetization resulted in tremendous growth in digital transactions. With the government initiative such as Digital India and increased use of mobile and internet are means to exponential growth in use of digital payment. This

transformation towards digital payments benefits in more transparency in transactions which empowers the country's economy. In recent days many changes took place in the payment system like digital wallets, UPI and BHIM apps for smooth shift to digital payments.

Objectives: The main objective is to know how the charges are made on digital payments and digital transactions.

Research Methodology: The data collected is from secondary sources. The data is collected from international newspapers like The Economic Times, Livemint, etc.,

II. DIGITAL TRANSACTION

An advanced exchange is a consistent framework including at least onemember, where exchanges are affected without the requirement for money. Computerized exchange includes an always developing method for doing things where money related innovation (fintech) organizations work together with different segments of the economy to satisfy the inexorably refined needs of the developing technically knowledgeable clients.

Digital transaction- its benefits:

The advantages of innovation adjustment exceeds the expenses for organizations, money related establishments, and end-clients. In any case, there are advanced activities that surface to disturb the past computerized exchange arrangements. Similarly as Visas are upsetting the utilization of money, forms like online exchanges and digital currencies are disturbing the routine where physical nearness and charge cards, individually, are required for exchanges. The internet business entrance has given a methods by which purchasers and dealers can take part in computerized exchanges; cloud administration stages have given an advanced procedure to putting away information; crowd funding portals have given a methods by which people and new companies can approach reserves; shared loaning discussions have given an approach to people to loan to and acquire from one another without the issues of the customary financial guideline; robo advising

apparatuses have given an approach to people to design their retirement stage; and so forth.

III. COMPANY PROFILE

PAYTM:

Paytm ("Pay-T-M", articulated like ATM) is an Indian internet business installment framework and advanced wallet organization, based out of Noida, India.

Paytm is accessible in 11 Indian dialects and offers online use-cases like versatile revives, service charge installments, travel, films, and occasions appointments just as in-store installments at supermarkets, products of the soil shops, cafés, stopping, tolls, drug stores and instructive foundations with the Paytm QR code.

California based PayPal had documented a body of evidence against Paytm in the Indian trademark office for utilizing a logo like its very own on 18 November 2016. As of January 2018, Paytm is esteemed at \$10 billion. According to the organization, more than 7 million shippers crosswise over India utilize thisQRcode to acknowledge installments straightforwardly into their financial balance. The organization additionally utilizes notices and paid special substance to create incomes.

IV. DATA ANALYSIS AND INTERPRETATION

Table 1: Funding:

Year	Funding Company	Amount
2007	SAIF Partners	
October 2011	Sapphire Ventures	\$10 million
March 2015	Alibaba Group	40% stake of Paytm
August 2015	Reserve Bank of India	Endorsement for payments bank to Paytm
August 2016	Mountain Capital	Over \$5 billion
May 2017	Softbank	\$10 billion (expected)
August 2018	Berkshire Hathaway	\$356 million for 3-4% of stake in Paytm

In 2007, Paytm's parent One97 Communications Ltd. got its first institutional financial specialist, funding firm SAIF Partners.

In October 2011, Sapphire Ventures (fka SAP Ventures) put \$10 million in Paytm's parent One97 Communications Ltd.

In March 2015, Paytm got its subsidizing from Chinese internet business organization Alibaba Group situated in Hangzhou, China, after Ant Financial Services Group, an Alibaba Group associate, accepting 40% stake in One97 as a component of a vital understanding. Before long, it got backing from Ratan Tata, the MD of Tata Sons.

In August 2015, the Reserve Bank of India conceded 'on a basic level' endorsement for Payments Bank to Paytm. In 2017, the organization propelled the Paytm Payments Bank with the intend to bring banking and money related administrations access to a large portion of a-billion un-served and under-served Indians.

That year, Paytm propelled an application for Canadian cell phone, link, Internet, power and water charge installments. In 2018, it set up Paytm Money to construct speculation and riches the board contributions for its clients. This business was required to bring direct shared assets and currency market assets to the Indian masses. In August 2016, Paytm raised financing from Mountain Capital, one of Taiwan-based MediaTek's speculation assets at a valuation of over \$5 billion.

In May 2017, Paytm got its greatest round of financing by a solitary speculator – SoftBank which likewise has a huge stake in Alibaba, in this manner carrying the organization's valuation to an expected \$10 billion. In August 2018, Berkshire Hathaway contributed \$356 million for 3%-4% stake in Paytm, in spite of the fact that Berkshire Hathaway affirmed that Warren Buffett was not engaged with the exchange.

Table 2: Number of digital transactions:

Period	Transactions(in crores)
April 2017	37,481.88
March 2017	35,699.13
February 2017	35,843.37
January 2017	49,004.19
December 2016	58,031.25
November 2016	32,174.28
October 2016	21,941.28

Source: Reserve Bank of India

Table 3: Financials reported by One97, the parent of Paytm (Rs in crores)

	February' 2018	February'2019
Revenue	3,229	3,319
Cost	4,719	7,279
Loss	(1,490)	(3,960)

Interpretation:

Digital payment company Paytm refuted reports that it is going to charge users extra amount for digital transactions on its platform. The company's comments come after a report had earlier stated that it was planning to charge its customers as much as 1% of the transaction value starting. They would like to clarify that Paytm app/payment gateway owned by One97Communications does not charge or levy any convenience/transaction fee from our customers on using any payment method which includes cards, UPI, net-banking and wallet. Paytm customers will continue using all the services available in the platform without any fee, said by the Noida-headquartered company.

V. FINDINGS

An ET report on 08-09-2019(Sunday) that Paytm is going to allegedly charge 1% on payments via credit cards, 0.9% for debit cards and up to Rs. 12-15 through net banking and UPI-based methods.

VI. CONCLUSION

It has been concluded that Paytm does not charge or levy any convenience/transaction fee from its customers on using any payment method which includes cards, UPI, net-banking and wallet. The founder and CEO of Paytm, Vijay Shekar Sharma told the HT-MintAsia Leadership Summit in Singapore on Sep 13, 2019 that Paytm will start preparations for an initial public offering(IPO) in the next 22-24 months.

REFERENCES

[1] **Newspapers:** The Economic Times, Livemint.